

A bill for an act
relating to state government; modifying public employee annual salaries that
exceed \$100,000 during the biennium ending June 30, 2011.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **LIMIT ON PUBLIC EMPLOYEE SALARY.**

Subdivision 1. Salary reduction for certain public employees. (a) During the biennium beginning July 1, 2009, and ending June 30, 2011, an employee of a government employer described in paragraph (b) who receives a salary with an annual rate of more than \$100,000 shall have that salary reduced by up to 15 percent using the method described in paragraph (c). For purposes of this section, "employee" includes an elected official. This section does not prohibit a school district or charter school from implementing an alternative compensation program approved by the commissioner of education. The commissioner may approve an alternative compensation program at the commissioner's sole discretion.

(b) For purposes of this section, "government employer" means:

(1) the state and all statewide, regional, or local government bodies including, but not limited to, all state departments, boards, agencies, offices, bureaus, commissions, authorities, councils, task forces, and state constitutional offices;

(2) Minnesota State Colleges and Universities;

(3) offices in the executive, legislative, or judicial branches of the state;

(4) all regional boards, regional commissions, and regional councils;

(5) all counties;

(6) all statutory or home rule charter cities, towns, and townships, and other governmental bodies covered under Minnesota Statutes, chapter 179A; and

(7) all school districts and charter schools.

(c) The method for reducing a salary under this section is as follows:

(1) Any annual salary that exceeds \$100,000 but is less than or equal to \$110,000 shall be reduced by 50 percent of the amount that exceeds \$100,000. The maximum salary reduction under this clause shall be \$5,000.

(2) Any annual salary that exceeds \$110,000 but is less than or equal to \$120,000 shall be reduced by \$5,000 plus 55 percent of the amount that exceeds \$110,000. The maximum salary reduction under this clause shall be \$10,500.

(3) Any annual salary that exceeds \$120,000 but is less than or equal to \$130,000 shall be reduced by \$10,500 plus 60 percent of the amount that exceeds \$120,000. The maximum salary reduction under this clause shall be \$16,000.

(4) Any annual salary that exceeds \$130,000 but is less than or equal to \$136,000 shall be reduced by \$16,000 plus 65 percent of the amount that exceeds \$130,000. The maximum salary reduction under this clause shall be \$20,400.

(5) Any annual salary that exceeds \$136,000 shall be reduced by 15 percent.

(d) Any employee of a government employer described in paragraph (b) who becomes subject to or remains subject to paragraph (a) after the effective date of this section, whether by promotion, transfer, election, beginning work as a newly hired employee, or by any other means, must receive a salary with an annual rate for the position that is consistent with the salary reduction requirements of this section and commensurate with similarly situated employees who have had their salaries reduced pursuant to this section.

Subd. 2. **Contracts in effect.** (a) This section does not apply to an employee if an annual salary exceeding \$100,000 is required by a contract or collective bargaining agreement in effect before the effective date of this section. However, from the effective date of this section until June 30, 2011, for all contracts or collective bargaining agreements requiring an annual salary exceeding \$100,000, an employer may not:

(1) enter into a new contract or collective bargaining agreement that provides for an annual salary that exceeds the amount calculated by reducing the salary of the preceding contract or collective bargaining agreement pursuant to the method described in subdivision 1, paragraph (c); or

(2) renew or otherwise extend in any manner that portion of a contract, collective bargaining agreement, or other arrangement that provides an annual salary of more than \$100,000 without reducing the salary provision of that contract, collective bargaining agreement, or other arrangement pursuant to the method described in subdivision 1, paragraph (c).

(b) Notwithstanding any law to the contrary, if, as of the effective date of this section, a government employer has agreed to or entered into a contract or collective bargaining agreement that is not scheduled to become effective until after the effective date of this section, any provision of the contract or collective bargaining agreement that violates subdivision 1, paragraph (a), is void. If this occurs, the exclusive representative may rescind the entire contract or collective bargaining agreement. To be effective, a request to rescind the contract or collective bargaining agreement must be made within 30 calendar days following the effective date of this section. Any subsequent contract or collective bargaining agreement must comply with the terms of this section.

Subd. 3. **Future contracts.** A contract, collective bargaining agreement, or compensation plan entered into after June 30, 2011, must not provide a retroactive salary or wage increase that applies to a period before June 30, 2011, if that increase would not comply with this section if granted before June 30, 2011.

Subd. 4. **Arbitration and strikes.** Notwithstanding any law to the contrary:

(1) employees of a government employer may not legally strike due to a government employer's reduction of a salary if the reduction is required to comply with this section; and

(2) neither a government employer nor an exclusive representative may request interest arbitration in relation to a reduction in the rate of salary that is required by this section and an arbitrator may not issue an award that would increase or restore salary in a manner prohibited by this section.

Subd. 5. **Relation to other law.** This section supersedes Minnesota Statutes, chapter 179A, and any other law to the contrary. It is not an unfair labor practice under Minnesota Statutes, chapter 179A, for a public employer to take any action required to comply with this section.

Sec. 2. **UNIVERSITY OF MINNESOTA; SALARY REDUCTION.**

As a condition of all appropriations during the biennium, the University of Minnesota must comply with section 1 as if it were defined as a government employer under that section.

Sec. 3. **EFFECTIVE DATE; EXPIRATION.**

Sections 1 and 2 are effective July 1, 2009, and expire on June 30, 2011.